

# **INTERIM JOINT COMMITTEE ON EDUCATION**

## **Minutes of the 2nd Meeting of the 2002 Interim**

**September 9, 2002**

The 2nd meeting of the Interim Joint Committee on Education was held on Monday, September 9, 2002, at 1:00 PM, in Room 149 of the Capitol Annex. Senator Lindy Casebier, Chair, called the meeting to order, and the secretary called the roll.

Present were:

Members: Senator Lindy Casebier, Co-Chair; Representative Frank Rasche, Co-Chair; Senators Walter Blevins, Brett Guthrie, Ray Jones II, Alice Kerr, Vernie McGaha, Robert Stivers, and Jack Westwood; Representatives Larry Belcher, Buddy Buckingham, Jack Coleman, Hubert Collins, Jon Draud, Tim Feeley, Gippy Graham, Mary Lou Marzian, Reginald Meeks, Charles Miller, Harry Moberly, Russ Mobley, Tom Riner, Charles Siler, Arnold Simpson, Dottie Sims, Kathy Stein, Gary Tapp, Jim Thompson, Mark Treesh, and Charles Walton.

Guests: Wayne Young and Mike Carr, Kentucky Association of School Administrators; Eric Shaffer, Kentucky Central Technical and College System; Frank Dempsey, Kentucky Department of Housing/State Fire Marshall; Tom Denton, Murray State University; Ken Meredith, Department of Housing, Buildings, and Construction; and Richard Casey and Diana Barber, Kentucky Higher Education Assistance Authority.

LRC Staff: Audrey Carr, Ethel Alston, Sandra Deaton, Kelley McQuerry, and Lisa Moore.

A motion was made to approve the minutes of the August 19, 2002 meeting by Representative Collins and seconded by Representative Draud. The motion was approved by voice vote.

Representative Marzian gave a brief report on the Subcommittee for Postsecondary Education. The subcommittee heard from Dr. Sue Moore, Interim President, Council on Postsecondary Education, and Dr. Gary S. Cox, President, Association of Independent Kentucky Colleges and Universities who discussed college tuitions for Kentucky public and private institutions. Representative Marzian also reported that the subcommittee heard from Ms. Jo Carole Ellis, Executive Director, Kentucky Affordable Prepaid Tuition Plan (KAPT), and from Dr. Joe L. McCormick, Executive Director, Kentucky Higher Education Assistance Authority (KHEAA), on the Kentucky Education Savings Plan Trust (KESPT).

Senator Casebier reported on the Subcommittee on the Teaching Profession. The subcommittee heard from Dr. Sharon Brennan, College of Education, University of Kentucky (UK), Dr. Phillip Rogers, Educational Professional Standards Board (EPSB) who discussed the on-line training module developed by EPSB and UK to provide consistent, quality training for the beginning teacher committee located on EPSB's Web site, and from a group of new teachers, principals, and the coordinator from the Kentucky Teacher Internship Program (KTIP). He said the group addressed the issue of the appropriateness of a one-year internship and advantages, if any, of expanding to a two-year program.

Senator Casebier introduced Dr. Joe McCormick to review Administrative Regulation 11 KAR 15:010. This regulation defines terms commonly used in the administration of the Kentucky Educational Excellence Scholarship (KEES) program. He said 11 KAR 15:080 establishes the deadline for high schools to report changes in KEES data to the authority. He said it limits changes to three months after an eligible postsecondary education student began enrollment at a participating institution for the first time after graduation from high school and to allow extensions for the cause. He said 11 KAR 5:130 is a regulation that is adopted each year setting out that the federal Free Application for Federal Student Aid (FAFSA form) will be used in determining a student's eligibility in the grant program administered by KHEAA and any change or correction in the information should be made on the student aid report that is provided by the United States Department of Education. He said this information is required to be submitted directly to the federal government and provisions regarding deadlines for notifying the authority are repealed. Dr. McCormick said 11 KAR 5:145 prescribes the award determination procedures for the College Access Program (CAP) Grant Program. He said the proposed changes increases an applicant's expected family contribution to \$3,800 and provides the maximum CAP award to a student enrolled at a business school, school of nursing, or vocational-school on a full-time basis shall be the lessor of the prevailing full-time student tuition charge at publicly operated vocational-technical institutions in Kentucky at that time or \$630 or the amount of eligibility the student has remaining within the aggregate KHEAA grant limit of \$1,260. Dr. McCormick explained that 11 KAR 5:150 determines the procedures for notification of applicants and to educational institutions of grant awards.

A motion was made to accept the administrative regulations by Representative Draud and seconded by Representative Rasche. The motion was approved by voice vote.

Senator Casebier introduced Mrs. Gail Minger, Niceville, Florida; Mr. Dennis Taulbee, Legal Counsel, and Mr. Ed Sargent, Staff, Council on Postsecondary Education; Captain Rebecca Langston, Chief of Police, University of Kentucky Police Department; and Mr. Ken Meridith, Deputy Commissioner, Department of Housing, Buildings, and

Construction, to discuss campus security and the implementation of the Michael Minger Act.

Mrs. Minger said Kentucky's institutions of higher learning are doing an excellent job with the implementation of the Michael Minger Act. She said reports of crime on campuses and notifications of dangerous activity to the students have improved and these are life saving improvements. She also said universities are becoming pro-active in their role of safety on their campuses.

Mrs. Minger said she would be speaking at a national forum in Atlanta, Georgia, and she will use certain Kentucky institutions as an example of demonstrated leadership, and those that have provided a model for the nation in the implementation of the Michael Minger Act. She stressed that university attitude is an area that can not be legislated. Mrs. Minger emphasized what a wonderful job the Council on Postsecondary Education has done in providing training session to the universities, and working on their attitudes regarding safety.

Ms. Langston said the University of Kentucky continues to refine the Michael Minger Act and train personnel in the reporting of crimes. She commended the Council on Postsecondary Education for the training they have provided in the interpretation of the law. Ms. Langston said the implementation of the Michael Minger Act has generated police and public awareness concerning security issues.

Mr. Meridith said compliance of the time frame for implementation of the Michael Minger Act has been excellent. He said zero violations have occurred to date, and the state fire marshal's office hopes to see this trend to continue.

Ms. Langston said the state fire marshal's office has been excellent in helping the university police implement the Michael Minger law and provide timely responses in answering questions.

Mr. Taulbee said in 2002, the Public Protection and Regulation Cabinet, where the state fire marshal's office resides, requested changes in the Michael Minger Act. These changes in the 2002 legislation include: 1) "Immediately" is defined as notifying the state fire marshal before the last fire unit has left the scene but no more than two hours following the time the fire or threat of fire is discovered. If local fire officials do not respond to the fire, notification of the state fire marshal must be within one hour following the discovery of the fire; 2) Institutions are required to identify a single campus security authority for reporting to the state fire marshal; and 3) A fire scene on a campus may not be cleared or cleaned without the express consent of the state fire marshal.

Mr. Taulbee said the sprinkler system installation should be completed in the dormitories at all public universities by the end of school year 2004. He said this

assumes that the legislature approves authorization for the universities to issue housing and dining bonds for the work to be performed in the dormitories.

Representative Buckingham commended Mrs. Minger on her perseverance and efforts, and noted the tragedy of Michael Minger at Murray State University as an eye opener for awareness of safety issues.

Representative Miller asked Ms. Langston if additional personnel were required to meet the reporting needs created by the implementation of the Michael Minger Act. Ms. Langston said it created additional reporting burdens, but no additional jobs. She said a new records management system helped to consolidate reporting requirements.

Representative Treesh asked for an explanation of the outstanding projects at universities other than the sprinkler system installations. Mr. Taulbee said other projects mainly consisted of building renovations, but are lumped into a broader category entitled life safety.

Representative Marzian also commended Mrs. Minger and the tireless efforts of Representative Jim Wayne in the session of 2000. She said Representative Wayne was a huge advocate for the Michael Minger Act and helped to persuade many legislators to vote for it.

Dr. Joe McCormick discussed the “BestStart” and “Best In Class” Programs. He said the average indebtedness for Kentucky graduates is \$13,500.00. Dr. McCormick said if Kentuckians are going to mortgage their future in order to get a higher education, then the Kentucky Higher Education Assistance Authority (KHEAA) and the Kentucky Higher Education Student Loan Corporation (KHESLC) owe them the best and lowest-cost student loans possible, and to ensure they can successfully manage their student loan debt.

Dr. McCormick said the new borrower programs initiated are intended to improve financial access to higher education. He said they are to help the state reach its goal of increasing the college-going rate by providing the best and lowest-cost loan programs to Kentucky students. Dr. McCormick mentioned rewarding students for pursuing higher education, remaining in school, and demonstrating a good repayment history. He said the programs are designed to encourage Kentucky students to enter the teaching profession and qualified teachers to remain in Kentucky, and finally, to increase the availability of the College Access Program (CAP) and Kentucky Tuition Grant (KTG) funds.

Dr. McCormick described the benefits of the “BestStart” program. The “BestStart” program provides that student loans have a one percent origination fee instead of the usual three percent origination fee that a lender in the federal programs can

charge. He said this will result in a 2.4 million dollars savings to students in the current school year.

Dr. McCormick said KHESLC will give a two percent credit to the unpaid principal when the borrower completes the academic period for which the loan was made. He said this is an effort to encourage students to remain in school. He noted the savings again is 2.4 million dollars in the current school year.

Dr. McCormick said to acknowledge and recognize a student's good history of repayment of debt, a 3.5 percent credit will be provided to the original principal balance for borrowers who make their first 30 consecutive payments on time. He said the benefits will result in fiscal year 2004 and later fiscal years.

Dr. McCormick described the "Best In Class" program for teachers. He emphasized that KHESLC supports the policy in the state of Kentucky for many years that stressed education at the K-12 and higher education level. He said at the end of each fiscal year, interest will be forgiven for teachers who taught at public or nonprofit Kentucky elementary or secondary schools during that fiscal year. He said the accrued interest will be written off, and the interest paid will be credited to the unpaid principal. Dr. McCormick said in addition to the interest forgiveness on teacher loans, for borrowers who were special education teachers at public or nonprofit Kentucky elementary or secondary schools during the fiscal year, 20 percent of the loan's original principal will be forgiven each year they teach special education in a Kentucky school.

Dr. McCormick said KHESLC is working with the Educational Professional Standards Board to include on their Web site [www.kentuckyeducators.org](http://www.kentuckyeducators.org) these benefits so teachers who have borrowed from KHEAA/KHESLC and are already serving in the Kentucky schools, can exercise this benefit as well.

Dr. McCormick mentioned at the federal level that the Bush administration has introduced similar legislation offering a \$17,500 loan forgiveness for special education teachers. He said this is House Resolution 5091 and is entitled "Canceling Loans to Allow School Systems to Attract Classroom Teachers Act."

Dr. McCormick said the average savings on a \$10,000 loan would be \$800.00 for a student borrowing from the student loan benefits rather than the average lender without the benefits. He said a school teacher in Kentucky would save over \$3,278 in paying back a student loan of \$10,000, and a special education teacher would save all of it with no loan debt to pay back.

Dr. McCormick said participating with KHEAA and KHESLC in these new loan programs, helps to provide needed revenue to cover the costs of administering all of Kentucky student aid programs thus allowing General Funds to go directly to students in

the form of awards. He also said Kentucky benefits from Federal Financial Education Loan Program (FFELP) and the loans are guaranteed by KHEAA. Dr. McCormick said FFELP revenue enables KHEAA to waive its loan insurance fee and provide free information to families about KEES, other student aid, and Kentucky colleges. He said KHESLC returns revenue to the Commonwealth for state student grant and work-study awards, and KHESLC uses revenue to provide the lowest-cost student loans in Kentucky. In addition, KHEAA will use the \$3,000,000 from KHESLC to provide additional revenue to CAP, KTG, and the work-study programs.

Dr. McCormick said the “BestStart” and the “Best In Class” programs are the lowest-cost student loan in Kentucky. He said the loans are available to any student in the state who chooses the KHEAA/KHESLC as their lender, and attends an institution that participates with KHEAA/KHESLC in the FFELP programs.

Representative Graham said the University of Kentucky (UK) has a program that allows the children of UK graduates who live out-of-state to attend UK at in-state tuition costs. He asked if these students could receive the student loan benefits. Dr. McCormick said the student loan programs would not be applicable to these students because UK, Morehead State University (MSU), and Kentucky State University (KSU) choose not to participate in the KHEAA/KHESLC programs.

Senator Blevins asked why certain universities would choose not to participate in the KHEAA/KHESLC programs. Dr. McCormick said UK, MSU, and KSU participate in the Direct Student Loan Program, and many schools that were involved in the Direct Student Loan Program have returned to the FFELP programs administered by KHEAA and KHESLC. Senator Blevins said while he supports the incentives for the special education teachers, he does not understand why mathematics and science teachers were left out when there is a shortage in those areas. Dr. McCormick said it involved the costs, and also the Department of Education said Kentucky’s greatest demand is for special education teachers. Dr. McCormick said if the response is great and revenues increase, the pool could be expanded to include other categories such as math and science.

Representative Miller asked how often high school counselors were educated on these programs, and if the counselors had written materials on the programs. Dr. McCormick said KHEAA in cooperation with the Kentucky Association of Student Financial Aid Administrators (KASFAA) sponsors a workshop each fall for high school counselors only. He said the counselors are invited from all over the state to attend a training workshop that explains the federal financial aid, state financial aid, and how and where students apply for the aid. Dr. McCormick also said there is a massive mailing to students starting in the ninth grade with a different publication mailed each year leading up to a comprehensive package mailed in the senior year that includes a listing of every college and university in the state. He said there are also high school career nights, and staff upon request, will visit individual schools and give presentations.

Representative Mobley asked if the benefits would apply to private schools. Dr. McCormick said students could apply all the benefits to private schools if they choose.

Representative Walton discussed the Commonwealth Accountability Testing System (CATS) testing contract which is up for renewal, and said the cost will be close to 40 million dollars for the next four years. He said that members should be briefed on this issue as well as the Contract Review Committee before making the costly investment.

Senator Casebier recognized Kevin Noland, Deputy Commissioner, Department for Education, to speak to the renewal of the CATS contract. Senator Casebier said Representative Moberly said the Education Assessment and Accountability Review Subcommittee (EAARS) would be reviewing the contract renewal in their meeting this month and did not feel the need for the Interim Joint Committee to address the subject as well. Mr. Noland said Mr. Gene Wilhoite, Commissioner, Department of Education, will be presenting data on the CATS testing at the EAARS meeting on September 20, 2002. He said the current CATS contract does expire on September 30, 2002, but the No Child Left Behind Act signed into federal law in January of this year does require some form of state testing.

Senator Westwood asked about the time frame for the renewal of the CATS contract. Mr. Noland said the renewal is for a four year period, but there is always a 30-day right of cancellation policy. Senator Westwood asked if there was a penalty imposed for canceling the contract. Mr. Noland said there is no penalty fee, but the Commonwealth would be responsible for services up to the date of cancellation, and he has no idea what the amount may be. Senator Westwood commented on the additional reporting requirements imposed from the No Child Left Behind Act, and asked if the Department of Education would be requesting waivers because of the limited amount of time. Mr. Noland said no waivers were requested because local school districts have already received their federal money of seven percent from the first year of the No Child Left Behind Act. He said in January of 2003, the Department of Education has to submit a plan to the United States Department of Education showing Kentucky's compliance of reporting mandates, and if waivers are requested, it will be at that time.

Representative Collins asked if there had been discussion on changing the testing dates from the end of the school year. Mr. Noland said legislation was passed last year that required the testing results to be back to the schools within 150 days after the test is administered. Mr. Noland said there is concern among superintendents in districts that accumulate a lot of snow that their students do not receive as much instruction prior to the test than other districts. He said the testing date will continue to be discussed, but many test security factors have to be addressed.

Representative Walton said the No Child Left Behind Act places mandates on reading levels and other content areas for students, and his concern is that other assessment avenues be researched. He would also like an audit performed on Kentucky's four-year CTB McGraw-Hill CATS contract for costs in comparison to services received. Mr. Noland said the Legislative Research Commission has not paid for an outside audit.

Representative Draud said this committee could benefit to learn more about the No Child Left Behind Act, and also to understand the intent of the Kentucky Board of Education to comply with the new law. Senator Casebier said approval will be sought to hear about the No Child Left Behind Act in a November, 2002 meeting.

Representative Moberly said he would like Commissioner Wilhoit's presentation to be heard by the Interim Joint Committee as well as the EAARS subcommittee. He commended Mr. Noland on keeping EAARS up-to-date in regard to Kentucky's compliance with the No Child Left Behind Act. He said a resolution still has not been reached on all the reporting requirements between the state and federal regulators on that issue. He also said the renewal of the CATS contract should be in-line with the new requirements of the No Child Left Behind Act. Representative Moberly told members they were welcome to attend the EAARS meeting if they were interested in hearing Commissioner Wilhoit's presentation.

Senator McGaha said he would like a copy of the EAARS meeting minutes mailed to him. Senator Casebier said staff would send a copy of the EAARS minutes to each member of the Interim Joint Committee on Education.

Representative Coleman commented on the tentative calculations of the Support Educational Excellence in Kentucky (SEEK) information mailed out to the school districts. He said deductions were made in the SEEK formulas and school districts are concerned about these calculations. Mr. Noland said these SEEK projections are based on what we know at this point, and enrollment figures can change in mid-October which can adjust the SEEK funds. He also said the projected property assessments and transportation can adjust the SEEK fund amounts to school districts.

Representative Moberly said different criteria of school districts is estimated in order to put together the budget, and these criteria seem to be underestimated on a number of factors in various school districts. He noted that Kentucky does not have a budget, however, the numbers we do have are not accurate because they were not estimated correctly. He said the General Assembly does not provide these numbers, but we receive recommendations from the Governor or the executive branch.

Representative Buckingham said the Property Value Administrator's (PVA) office notified his school district that \$70,000 less tax money would be available this school year because of two extenuating circumstances involving two large pieces of property



that were transferred at less than what they were valued, and also the inventory tangible goods were listed considerably less.

Senator Casebier said an explanation of SEEK would be added to the November meeting if the meeting is approved. He also introduced a resolution honoring the Valley Sports Little League team. A motion was made to adopt the resolution by Senator Casebier and seconded by Representative Stein. The motion was approved by voice vote.

The meeting adjourned at 2:30 p.m.